

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

JULIA I. COLON DE SANCHEZ,
et al,

Plaintiffs,

Civil No. 04-2402 (JAF)

V.

MORGAN STANLEY DEAN WITTER,
et al,

Defendants.

O R D E R

Before the court is Plaintiffs' motion to reconsider our June 17, 2005, Opinion and Order granting Defendants' motion to compel arbitration. Docket Document No. 26.

Plaintiffs argue that we erred in compelling arbitration because Plaintiffs' complaint alleged acts of fraud that went directly to their consent to the arbitration agreement. Docket Document No. 27. Plaintiffs specifically point to paragraphs 23 and 25 of the Complaint where "Plaintiffs alleged that Defendants fraudulently deceived them in order to sign the agreements. . . ." Id.

These arguments are no different than those raised by Plaintiffs in their surreply to Defendant MSDW's motion to compel arbitration. See generally Docket Document No. 22. Furthermore, we specifically addressed these arguments in our Opinion and Order.

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1 See Docket Document No. 26. As Defendant MSDW correctly points
2 out, “[p]aragraphs 23 and 25 refer to the margin client agreement
3 as a whole; they do not refer to the arbitration agreement itself.”
4 Docket Document No. 28. Neither one of the relevant paragraphs in
5 Plaintiffs’ complaint alleges fraud specific to the arbitration
6 agreement. See Docket Document No. 1. As a result, there was no
7 independent challenge to the making of the arbitration clause. To
8 that end, the statutory language “does not permit the federal court
9 to consider claims of fraud in the inducement of the contract
10 generally.” Prima Paint Corp. v. Flood & Conklin Mfg. Co., 388
11 U.S. 395, 404 (1967).

12 Our June 17, 2005, order remains intact.

13 In accordance with the foregoing, we **DENY** Plaintiffs' motion
14 for reconsideration.

15 IT IS SO ORDERED.

16 San Juan, Puerto Rico, this 3rd day of August, 2005.

17 S/José Antonio Fusté
18 JOSE ANTONIO FUSTE
19 Chief U. S. District Judge